

**NEBRASKA BOARD OF PUBLIC ACCOUNTANCY**  
**140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska**  
**MINUTES**

**March 23-24, 2003**

**1. General**

**A. Call to Order and Roll Call.** The Board of Public Accountancy was called to order at 6:00 p.m. on Sunday, March 23, 2003 with Chair William L. Gaines, Jr., CPA presiding. The roll was called with the following members present: William Gaines, Nina Kavich, Dean Graf, William Nuckolls, Terry Ellinger, Michelle Thornburg, Richard Zacharia and Jim Titus. Also present was Executive Director, Dan Sweetwood. The meeting was held at the Board's office, 140 N. 8<sup>th</sup> Street, Suite 290, Lincoln, Nebraska.

**B. Approval of meeting agenda for March 23-24, 2003.** Moved by Nuckolls, seconded by Kavich, to approve the agenda for the March 23-24, 2003 meeting. On roll call vote, all members present voted aye. Motion number 1 carried.

**C. Approval of the minutes of the January 16-17, 2003 Board meeting.** Moved by Ellinger, seconded by Nuckolls, to approve the minutes as corrected. On roll call vote, all members present voted aye, except Zacharia and Titus who abstained. Motion number 2 carried.

**2. Public Comment Period**

Time was allowed on the agenda for members of the public to address the Board with comments. There were no members of the public in attendance at the meeting.

**3. Consent Agenda**

**Approval of Published Notice of Meeting by Roll Call Vote.** Moved by Kavich, seconded by Thornburg, to approve the Published Notice of Meeting. On roll call vote, all members present voted aye. Motion number 3 carried.

**A. Published Notice of Meeting.** Pursuant to call and published notice, the notice of meeting is herewith attached.

Moved by Ellinger, seconded by Graf, to give the Executive Committee the authority to review and approve January and February 2003 disbursements, Board Budget Status Report, and Office Management Report because of problems with reporting in the new NIS system. Once items have been reviewed and approved, they will be distributed to all Board members. On roll call vote, all members present voted aye. Motion number 4 carried.

**4. Report of Chair**

**A. Report on To Do Lists.** The Board discussed the status of carryover items on the To Do List. Each committee should continue to address their items on the list and the Executive Director and office staff should continue to address general items not assigned to a committee.

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**4. Report of Chair**

Chair Gaines presented a plaque of recognition to Member Kavich in appreciation of her term as Chair of the Board.

Chair Gaines shared with the Board, a Resolution for Kathleen Smith who completed her two terms with the Board.

**5. Report of the Legislation Committee**

**A. Legislation Update.** LB214 was approved and signed into law by the Governor on March 3, 2003. LB258 regarding managers of accounting offices has been amended and placed on General File. LB809 regarding an occupation tax on certain professions was killed in Committee. The Board will revisit the draft rewrite of the Public Accountancy Act at the May Board meeting.

**7. Report of Licensing Committee**

**C. Discussion of Applicant Denied a Certificate.** Motion out of Committee to set hearing for May 8, 2003 for an individual that was denied a CPA certificate based on a felony conviction. On roll call vote, all members voted aye. Motion number 5 carried.

**8. Report of Quality Enhancement Program (QEP)**

**A. Report of Committee.** Committee Chair Graf explained the QEP process for the benefit of new Board members. The Board discussed the "draft letter" to be sent out to a practice unit receiving a Type 4 after having gone through a Peer Review. The Board discussed database tracking of scores received by practicing units. Motion out of Committee to approve draft letter and its issuance. Upon roll call vote, all members voted aye, except Gaines, who voted nay. Motion number 6 carried.

**The Board recessed for the day at 8:05 p.m.**

**The Board reconvened at 8:35 a.m. on Monday, March 24, 2003.** All Members were present.

**CLOSED MEETING**

**Closed Meeting.** Moved by Kavich, seconded by Thornburg, that the Board go into closed session at 8:36 a.m. for the purposes of enforcement, litigation and personnel issues. On roll call vote, all members present voted aye. Motion number 7 carried.

Member Gaines recused himself from the portion of the closed meeting dealing with enforcement issues.

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**Return to Open Meeting.** Moved by Thornburg, seconded by Nuckolls, that the Board return to open session at 11:35 a.m. On roll call vote, all members present voted aye. Motion number 8 carried.

**6. Report of Enforcement of Professional Conduct Committee**

9. **Determination of Probable Cause or Lack of Probable Cause.** Moved by Kavich, seconded by Thornburg, to close Complaint #0102-017 and Complaint #9899-015 for lack of probable cause. Upon roll call vote, all members present voted aye. Motion number 9 carried.

**B. Reinstatement of Surrendered CPA Certificate(s).** Moved by Thornburg, seconded by Kavich, to reinstate the Nebraska CPA certificate for Doug Nordby. Upon roll call vote, all members present voted aye. Motion number 10 carried.

**C. Update on Hearing.** Hearing previously set for March 24, 2003 has been rescheduled for May 8, 2003.

**5. Report of the Legislation Committee**

Paul O'Hara, Board lobbyist, reported on the status of legislative activity relevant to the Board. The Board discussed the rewrite draft and timing for completion and introduction with Mr. O'Hara.

**7. Report of Licensing Committee**

**A. Ratification of initial permits to practice issued; and certificates issued.** This item was deferred until the May meeting so staff can provide additional information.

**B. Application for Reinstatement to Active Permit.** Moved by Ellinger, seconded by Graf, to authorize the Licensing Committee to review information and take the necessary action to reinstate to active permit. Upon completion of review, the Committee will send a report to the other Board members of action taken. Upon roll call vote, all members voted aye, except Thornburg who voted nay. Motion number 11 carried.

**9. Report of Continuing Education Committee**

**A. Ratification of staff program evaluations since last meeting.** Moved by Nuckolls, seconded by Ellinger to ratify staff program evaluations since last meeting. Upon roll call vote, all members voted aye. Motion number 12 carried.

**B. Report on Deficiencies for Renewal in 2003.** The Board received a list of individuals with active permits expiring June 30, 2003 that have not reported sufficient CPE hours to renew their permit for July 1, 2003. The list will be kept updated and provided again at the next meeting.

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**9. Report of Continuing Education Committee**

**C. Other Items.** The Board discussed sending a quick poll to other states regarding “audit” of CPE. Executive Director indicated that letters would be sent to licensees that received a CPE deficiency notice in error.

**10. Report of Education and Exam Committee**

**A. Change in Educational Requirements Guidelines.** Motion out of Committee to approve additions to Educational Requirements Guidelines regarding foreign credits and CPA review courses. Upon roll call vote, all members present voted aye, except Nuckolls who was absent. Motion number 13 carried.

**B. Lancaster County Event Center Contract.** Motion out of Committee to approve Lancaster Events Center Contract with changes as discussed. On roll call vote, all members present voted aye. Motion number 14 carried.

**C. NASBA CPAES Update.** Committee Chair Thornburg updated the Board on the procedures being followed with CPAES and the number of exam applications received to date.

**D. Transition from Paper Exam to CBT.** Committee Chair Thornburg presented the proposed model policies and transitioning requirements. The Committee will prepare proposed rule changes to present to the full Board for approval prior to scheduling a rules hearing. Thornburg discussed the information obtained regarding Prometric seat availability in Nebraska and information regarding site visits.

**E. CPAES Evaluation of Reciprocal Certificate Candidates.** Motion out of Committee to approve use of CPAES to evaluate credentials for reciprocal certificate candidates. On roll call vote, all members present voted aye. Motion number 15 carried.

**11. Report of Executive Director**

**A. Report on NASBA Executive Director’s Conference.** The Executive Director presented his report on attendance at the Executive Director’s Conference.

**B. Computer System Issues.** The Executive Director updated the Board on information received from IMS regarding the current computer infrastructure.

**C. NIS.** The Executive Director reported on the current status of and problems with the NIS system. Since there are no longer training sessions available, staff is using a network of contacts within state government to help them proceed through the conversion.

**D. NOL Computer Grant.** Grant application is still on file with the State Records Board.

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**11. Report of Executive Director**

**E. Staffing & General Office Issues.** The Executive Director updated the Board on activities currently being accomplished by the office staff and submitted the Staff Activity Report for February 2003 to the Board.

**F. Status of Annual Register for 2002.** The Annual Register has been delivered to the print shop and should be available for mailing soon.

**G. Report of Discussion with State Auditor.** The Executive Director discussed issues raised by the State Auditor. Staff has discussed and are addressing concerns regarding segregation of duties.

**H. Biennium Budget Request/Meeting with Appropriations Committee.** The Board reviewed and discussed items presented to the Appropriations Committee by Member Graf.

**12. New Business**

**A. Future Meeting Dates.** Dates for future meetings have been set for May 7-8, July 17-18, and September 16 -17, 2003.

**B. NASBA Items.**

**1. NASBA Meetings/Travel 2003.** Board discussed travel policy and importance of Board members attending NASBA meetings.

**2. Regional Meeting Registration and Attendance.** Moved by Thornburg, seconded by Kavich, to approve the expenses for Board Members and the Executive Director to attend the NASBA Regional Meeting June 11 – 13, 2003 in Portland, Oregon. Upon roll call vote, all members present voted aye. Motion number 16 carried.

**3. BOE Committee Nominations.** No Board action taken.

**4. NASBA Committees.** Chair Gaines discussed that we have received request from NASBA for Board members to serve on NASBA Committees. Any Board member interested should submit their own application.

**5. Focus Questions.** No questions had been received from NASBA for discussion

**6. Nomination of Kathy Smith for Director at Large.** Moved by Kavich, seconded by Thornburg to write a letter of recommendation for the nomination of Kathy Smith for NASBA Director at Large. Upon roll call vote, all members present voted aye. Motion number 17 carried.

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**13. Adjournment**

It was moved by Thornburg, and seconded by Zacharia, that the Board adjourn at 4:37 p.m. on Monday, March 24, 2003. On roll call vote, all members present voted aye. Motion number 18 carried.

Submitted by,

Michelle R. Thornburg, CPA  
Secretary